



Australian Bureau of Statistics

1363.0 - Book Publishers, Australia, 2002-03

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Summary

Main Features

INTRODUCTION

This publication presents data, in respect of 2002-03, for businesses which had either book publishing as their main activity (book publishers) or generated \$2m or more in income from book publishing, although this was not their main activity (other major contributors). For other major contributors this publication only includes data for their book publishing activity.

OVERVIEW

For 2002-03, 236 businesses were identified as book publishers while a further 10 were other major contributors. These 246 businesses sold a total of 114.4 million books, primarily to book retailers, earning income of \$1,369.4m. With a total income of \$1,578.6m, expenses of \$1,487.7m and a reduction in inventories of \$2.5m, the overall operating profit before tax of these businesses was \$88.4m (table 1).

The 20 largest book publishers (in terms of income) generated 74% (\$1,171.2m) of the total income for book publishers and other major contributors. Similarly, the 20 largest book publishers achieved 76% (\$1,036.5m) of the value of total book sales and sold 77% (88.0 million) of all books. Their share of the total expenses was 75% (\$1,115.1m) (table 1).

Book publishers and other major contributors reported an average profit margin of 5.6%. For the largest 20 book publishers, the profit margin was 4.4%. For other book publishers, the profit margin was 10.2% while other major contributors had a profit margin of 2.0% for their book publishing activity. The 20 largest book publishers contributed \$303.9m to industry value added (IVA), which is a measure of the value which an industry adds to the overall economy. This was 68% of the total IVA for book publishing activity (table 1).

At the end of June 2003, book publishers and other major contributors employed 5,340 people, 3,552 (67%) of whom worked for the 20 largest book publishers (table 1).

INCOME

Sales of books contributed \$1,369.4m (87%) to the total income of book publishers and other major contributors. This included an amount of \$492.4m for the sales of imported titles. Sales of other goods (\$73.9m) by book publishers was the second highest contributor to total income, followed by income from services (\$66.3m) (table 4).

EXPENSES

The major components of total expenses (\$1,487.7m) were printing costs, wages and

salaries, and the cost of imported books. Printing costs accounted for \$278.3m or 19% of total expenses, with printing in Australia comprising \$144.7m and overseas \$133.6m. Wages and salaries contributed \$248.6m (17%) to total expenses while another \$54.3m was spent on other labour costs. Businesses spent \$243.6m (16%) on imported books (table 5).

METHOD OF SALE

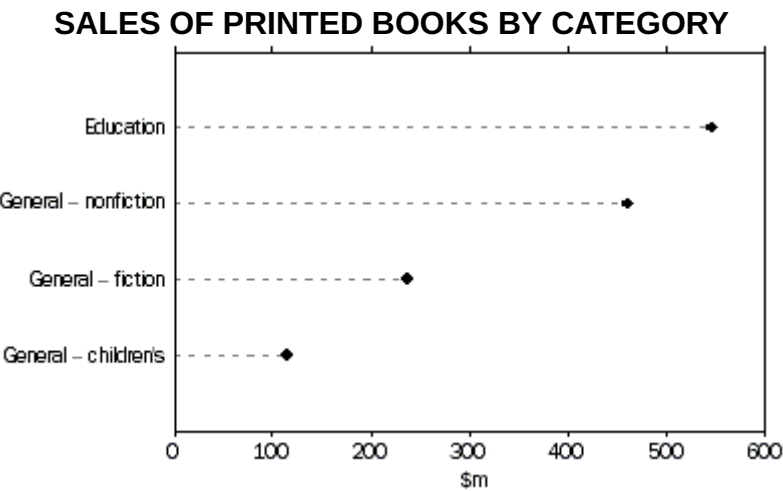
The majority of book sales (76% or \$1,039.7m) were to retailers and other book distributors for on-selling to individuals and organisations. The remaining sales (24% or \$329.7m) were transacted directly with the final consumer (table 11). An estimated \$14.1m (1%) of total book sales were made through the Internet (table 1).

SALES OF BOOKS BY CATEGORY

Of the 246 businesses identified as book publishers and other major contributors, 141 were involved mainly in publishing books of general content while the remainder were predominantly publishing educational books (including professional and reference books) (table 3).

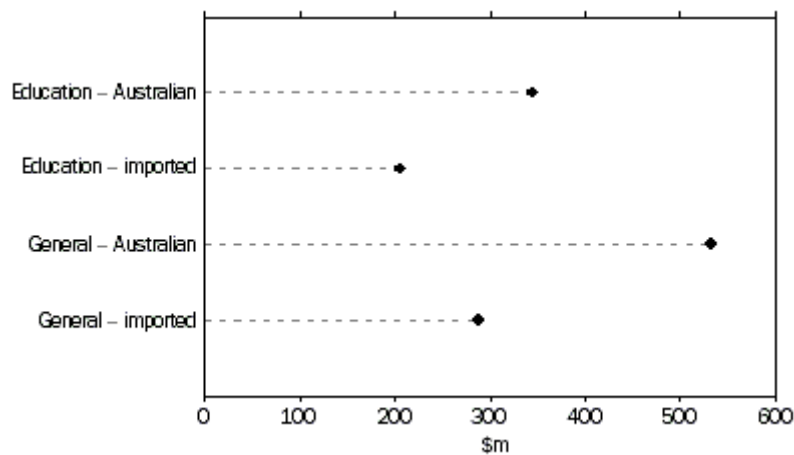
Book publishers and other major contributors sold \$814.5m worth of printed books of general content covering nonfiction (\$461.2m or 57%), fiction (\$237.6m or 29%) and children's books (\$115.6m or 14%). A further \$547.8m worth of sales were for printed educational books while sales of electronic books (which includes audio books) totalled \$7.1m (table 9).

Many books are published as a hardback or trade paperback before being reissued as a mass-market paperback. The value of sales of general trade paperback books was \$316.8m, compared with sales of general hardback books of \$293.8m and general mass-market paperback books of \$203.8m (table 9).



New titles accounted for approximately one-half of total book sales (\$679.8m or 50%)(table 12). Australian titles comprised 64% (\$877.0m) of total book sales and 63% (\$345.1m) of educational book sales. Of all sales of Australian titles \$843.6m (96%) originated in Australia, while the remaining 4% (\$33.4m) were acquired from overseas under separate rights agreements (table 13).

SALES OF BOOKS BY CATEGORY AND ORIGIN OF TITLE



SALES OF AUSTRALIAN AND IMPORTED BOOKS

There were 71.2 million printed books sold which were originated and published by Australian book publishers and other major contributors. These books generated income of \$801.5m, giving an overall average selling price for Australian originated books of \$11.25 per book. Of such books, tertiary education books had the highest average selling price (\$27.80) (table 14).

There were 36.7 million imported printed books sold by Australian book publishers and other major contributors, earning income of \$491.1m and an overall average selling price per book of \$13.39. Tertiary education books were again the most expensive on average (\$30.46) while children's mass-market paperbacks were the cheapest (\$6.01) (table 14).

Sales of Australian originated titles to book retailers, other distributors and to final consumers generated more income than the sales of imported titles. Income from printed educational books, originated and published by Australian book publishers and other major contributors, was \$328.4m, 60% more than the income from imported (\$205.3m). For non-fiction books, income from Australian originated publications (\$311.6m) were 138% higher than the equivalent figure for imports (\$130.8m). Income from Australian originated fiction books were 31% higher at \$118.5m, compared with \$90.2m for imported fiction. For children's books, however, income earned from the sales of imports exceeded those of Australian originated publications. The income from children's books were \$64.9m, compared with \$42.9m from the Australian originated product (table 14).

NEW AUSTRALIAN TITLES PUBLISHED

There were 8,553 new Australian titles published during 2002-03 of which 8,310 (97%) were printed titles originated by Australian book publishers and other major contributors. Over one-half of these printed titles (56% or 4,615) were educational. Of the 3,694 general-content titles, 49% were trade paperbacks, 36% were mass-market paperbacks and the remaining 14% were hardbacks (table 15).

EXPORTS

Export sales of books amounted to \$209.5m or 15% of total book sales. Re-exports contributed \$7.4m to this amount (table 10).

The United States of America (USA) was the biggest single market for books exported from Australia, with sales to the USA totalling \$81.8m which was over one-third (39%) of the total value of exports. Other significant markets were New Zealand (\$44.5m) and the United Kingdom (\$30.7m).

The total sales of rights to businesses in other countries was \$4.6m (table 10).

EMPLOYMENT

At the last pay period ending June 2003, book publishers and other major contributors had a total employment of 5,340 people (employment numbers for other major contributors refers only to their book publishing activity). Of these, 1,783 were males and 3,556 were females. Of the 5,340 people, the majority (3,972 or 74%) were full-time permanent employees. An additional 372 people (7%) were employed permanently on a part-time basis, 810 people (15%) were employed as casuals and 184 (3%) were working proprietors and partners (table 8).

STATE AND TERRITORY DATA

In 2002-03, book publishers and other major contributors that were based, or had their head office, in New South Wales accounted for 55% (\$759.0m) of total books sales. Victoria's contribution was 38% (\$525.8m) of total book sales (table 2).

CHANGES OVER TIME

A comparison of survey data for 2001-02 and 2002-03 shows significant change in only a few of the data items. The value of the operating profit before tax increased by 76% (\$38.2m) from \$50.2m in 2001-02 to \$88.4m in 2002-03. The profit margin increased over the same period by 2.3 percentage points from 3.3 percent in 2001-02 to 5.6 percent in 2002-03.

Small changes between 2001-02 and 2002-03, although not significant, were also evident for estimates of the total number of books sold (a 12% decrease to 114.4 million books in 2002-03), income from the sale of books (a 1% increase to \$1,369.4m) and total expenses (a 2% increase to \$1,487.7m) (table 16).

Several data items are comparable across the seven collection periods since the survey began in 1994 (see paragraphs 22 to 23 of the Explanatory Notes). The sales of Australian titles has been growing since 2000-01, while the sales of imported titles has been declining since 1999-2000. Generally, the value of export sales of books has steadily increased over the years; export sales on books in 2002-03 (\$209.5m) were 158% higher than the export sales in 1994 (\$81.1m) (table 17).

About this Release

ABOUT THIS RELEASE

Contains details on financial and employment data of book publishers, as well as on industry structure, growth and numbers of books published and sold by type.

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